AP US History

Chapter 26 Study Guide – Franklin D. Roosevelt and the New Deal

*Chapter Summary*

The Great Depression began in October 1929, when the stock market in the United States dropped rapidly. Thousands of investors lost large sums of money and many were wiped out, lost everything. The 'crash' led us into the Great Depression. The ensuing period ranked as the longest and worst period of high unemployment and low business activity in modern times. Banks, stores, and factories were closed and left millions of Americans jobless, homeless, and penniless. Many people came to depend on the government or charity to provide them with food. The Depression became a worldwide business slump of the 1930's that affected almost all nations. Shortly after Franklin Delano Roosevelt entered the White House in 1932 at the [darkest hour](http://college.hmco.com/history/us/resources/shared/primary/source/images/depression.gif) of the [Great Depression](http://www.shmoop.com/intro/history/us/the-great-depression.html), promising "a new deal for the American people." The package of legislative reforms that came to be known as the New Deal permanently and dramatically transformed the politics and economy of the United States.

**The Struggle Against Despair**

1. Where did the people of America look for help during the Great Depression?

**The Great Depression**

1. Look at the photo on page 750. Explain what farmers are doing in the picture and why?

1. What could have the government and business leaders have done in order to lessen the great effects of the Great Depression?
2. Why was it a mistake for the Federal Reserve to lower the discount rate, charging banks less for loans in order to stimulate the economy?
3. What happened on Black Thursday?
4. Explain the “trickle down effect” once the stock market spilled over into the larger economy?
5. What percentage of the workforce was unemployed by 1932?
6. What were the explanations for the Great Depression?
7. Why was the middle class hit the hardest?

**Fighting the Depression**

1. What did Hoover reject as a way to fix the economy?
2. Explain voluntary cooperation?
3. What efforts did Hoover purpose after the failure of voluntary cooperation?
4. Who made up the bonus army and what was their purpose?
5. What was FDR’s most dominate trait?
6. Why did FDR close the banks?

1. What happened during FDR’s first “Hundred Days”?
2. Explain the purpose of the TVA?
3. What was the purpose of the NRA and why did it fail?
4. What was the purpose of the AAA and why did it fail?
5. What was the purpose of the CCC and the WPA?

1. Look at the pictures on page 760 and explain the emotions that the photographs might evoke?

**Roosevelt and Reform**

1. Who was ignored at the beginning of the New Deal?
2. Who were the three demagogues that were opponents to the New Deal?
3. Explain the purpose of the Social Security Act?

1. What was the purpose of the Wagner Act?

**Impact of the New Deal**

1. What successful tactics did the AFL and CIO use?
2. How did the New Deal fail minorities during the Great Depression?
3. How did women fare with the New Deal programs that were developed?

**End of the New Deal**

1. What political coalition did FDR and the Democratic Party establish after the election of 1936?
2. Explain the purpose of FDR’s “court packing” scheme?
3. What was the political result of FDR’s premature attempt to balance the federal budget?
4. In the end, did the New Deal end the Great Depression?